

**OPN OUTFITTING RE-
ENGINEERING**

Integrated Process Team
SITREP

Genesis of the Re-engineering IPT

A Matter of Perception?

❖ **NAVSEA / NAVICP Discussions to Improve Outfitting Processes, and cure perceived or real problems, such as...**

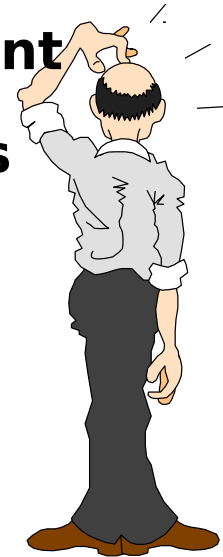
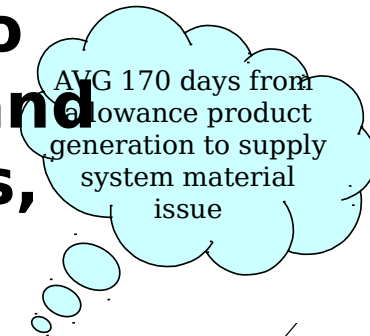
- * **Current Process Is Not Timely Or Efficient**

- * **Duplicative Efforts in Execution Process**

 - ✓ **NAVSEALOGCEN vs. NAVICP**

- * **Allowance Churn Driving Up Outfitting Costs**

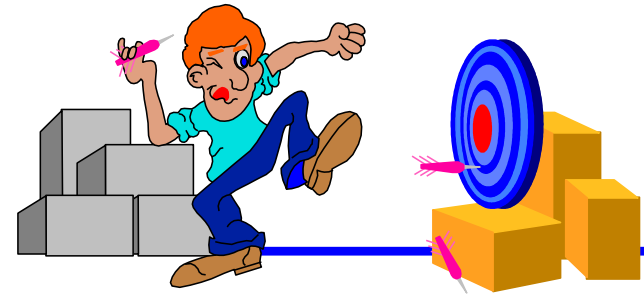
 - ✓ **Cancellations = Fleet Frustration**



to **SEA 04L/NAVICP 00 Tasked NAVICP & NSLC Explore Improvements to the OPN Outfitting Processes**

OPN Outfitting Re-Engineering *Approach*

- ❖ **Purpose - Improve Outfitting Process Execution in Terms of Timeliness, Accuracy, and Ease of Use by the Fleet**
- ❖ **Form Working Group**
 - * **Representatives From NAVSEA (04L), NAVICP-M (01, 05, 84, 87) and NSLC (N50)**
- ❖ **Explore Process Improvement Opportunities**
 - * **Keep an open mind**
- ❖ **Review the Current Processes**
 - * **Good, Bad, & Ugly**
- ❖ **Current Status:**
 - * **Briefed NSLC 00 and NAVICP-M 05**
 - * **Briefed Selected Fleet Reps ... (preliminary sanity check)**



OPN Outfitting Re-Engineering
Proposed Recommendations

**The Team Evaluated Various Functional Areas
... the Most Promising Recommendations
Include:**

❖ **Short Term**

- ✦ **Up Front Validation of Allowances**

❖ **Mid Term**

- ✦ **Tailored ASIs - Reduce “Maintenance” Allowances**

✓ **Attack Churn**

- ✦ **Creation of Outfitting Requisitions Concurrent with Allowance Production**

**COSAL Ashore
workload reductions**

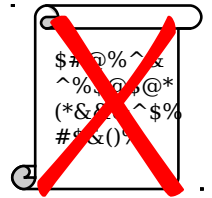
❖ **Long Term**

Short Term

Up Front Validation of Allowances

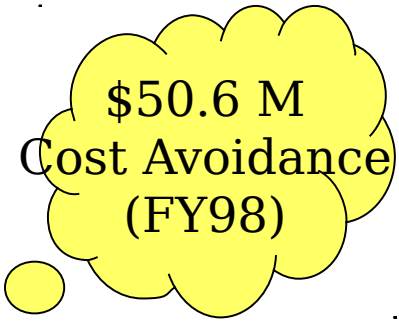
❖ Features:

- * **Minimize cancellation messages**
 - ✓ **Reduce Fleet frustration and administrative workload (Fleet and Ashore)**
- * **Modify allowance up front**
 - ✓ **Increase accuracy of WSF data and allowance products with more intense QA up front**
- * **Potential economies of scale, with reduced resources, with consolidation of existing NIIN filter and high value processes**
- * **BUT ... Reduction in cost avoidance**
 - ... Delay in sending allowance product**



Short Term

Up Front Validation of Allowances



\$50.6 M
Cost Avoidance
(FY98)

❖ **Preliminary Fleet Comments**

- * **Concerned that we can not afford to stop the “back end” HIVAL process due to the proven cost avoidance factor**
 - ✓ **Statistical sample projects additional \$9M - \$30M cost to OPN ... NM impact**
- * **Concern expressed with costs and timeframes associated with building new application programs to migrate to an up front validation process exclusively**

Up Front Validation of Allowances

Final Proposal:

- ❖ **Preserve the back end review component - Safety Net**
- ❖ **Expand the existing NAVICP-M pre-distribution QA processes to ensure allowance products are correct**
 - * **NAVICP-M and NAVSEALOGCEN have initiated a joint effort**
 - ✓ **Enhance the pre-distribution review of allowance products ... Migrate “Hi Value**

AL - Minimize Cancellation of Fleet Requisition

Mid Term

Tailored ASI - Reduce “Maintenance” Allowances

❖ **Features:**

- * **Reduces allowance churn**

- ✓ **Dampens emergent TOB & Buy-In requirements**

- * **BUT ... Additional time to process ASI**
... Need to adjust ASI programs
(accommodate tailoring parameters)

- Target critical systems
- ▮ Target problem equipments
- ▮ Flexible parameters... specific R-triggers and/or periodicity

- ❖ **Fleet requested that NAVICP-M 055X investigate feasibility of modifying the ASI process to be more flexible, e.g.**

- * **Periodicity**

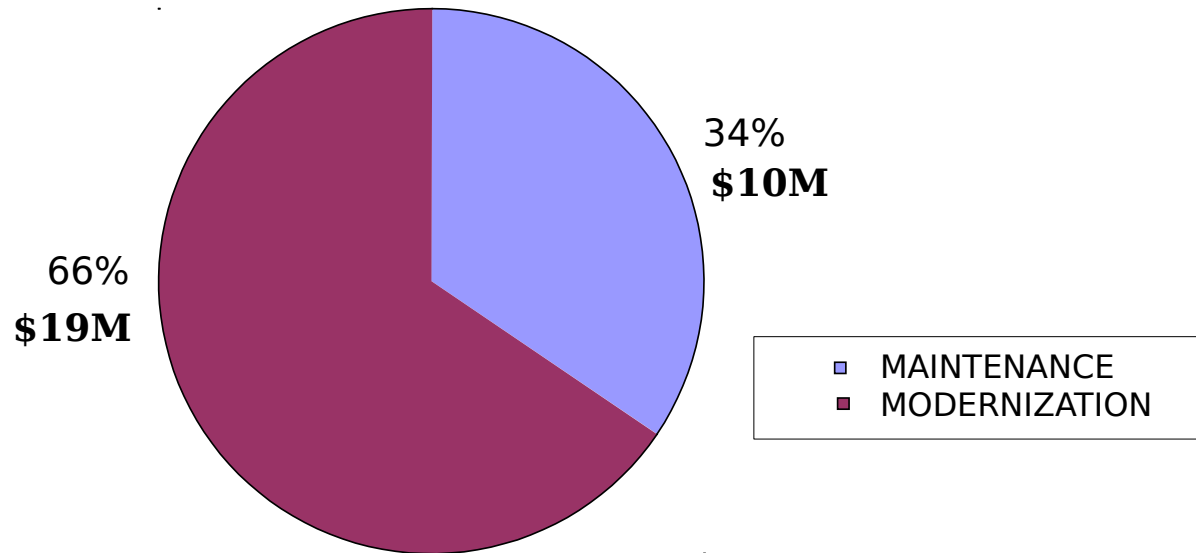
- * **Targeted Allowancing Techniques**

Consistent with CILS TAT “Churn” Reduction Philosophy

Mid Term

Tailored ASI - Reduce "Maintenance" Allowances

FY 98 ASI



MAINTENANCE R-TRIGGERS	
	PERCENT
R2 RIC SUPPRESSION	4%
R3 NEW/REVISED APL	27%
R5 LOGISTIC SUPPORT REQUEST INDICATOR	40%
R7 PEN/INK CHANGE	29%

Mid Term

Create Outfitting Requisitions Ashore Concurrent with Allowance Production

❖ **Features**

- * Shortens lead time from allowance generation to material receipt (requisition lead time eliminated)**
- * Reduces shipboard workload**
- * Less error prone... centralization = efficiency & accuracy**
 - ✓ Reduce inadvertent submissions of TYCOM shortages as TOB requirements**

Mid Term

Create Outfitting Requisitions Ashore ***Concurrent with Allowance Production***

However, this proposal is deemed Mid Term since:

❖ **Error potential (\$) if FIMARS is inaccurate or not current**



- * Afloat Inventory assets and allowance reporting accuracy issue

Proposal - Prototype on selected ships

Long Term

Use FIMARS Assets for Outfitting

❖ **Features**

- * **Reduce outfitting costs ... Re-utilize excess material**

- * **Facilitates transition to leaner allowance policies, e.g. MAMs as Spares, A₀ reduction**

- * **BUT**

 - ... Increased Fleet workload**

 - Potential decrease in NAVICP sales**

 - ... Potential to increase inventory churn**

Concern for FIMARS Inventory Accuracy

OPN Outfitting Re-Engineering Summary

- ❖ Reviewed / Analyzed Charter Areas
- ❖ Briefed Findings

Preliminary Fleet Input

Recommendation Pursue

SHORT TERM

- Up Front Validations

Yes
(maintain back
end safety net)

Initiated

MID TERM

- Tailor ASI - Reduce “Churn”
- Create Outfitting Reqn’s Ashore
favorable

Yes

Yes
Not

Prototype

LONG TERM

- Use FIMAR Assets for Outfitting

Not